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Economy

Statistics published in the United States were satisfactory overall, close to expectations. GDP growth in Q2 was revised upwards from +3.1% q/q to +3.3% (annualised). Durable goods orders contracted less than expected (-2.8% m/m vs. -3.8% est.) and rebounded excluding transport (+1.1% m/m vs. +0.2% m/m) in July. Consumer confidence surprised on the upside, falling only from 98.7 to 97.4 vs. 96.5 est. in August. House prices (FHFA) disappointed, falling 0.2% m/m in June (vs. -0.1% est.). Overall PCE inflation rose 0.2% m/m (+2.6% y/y, stable) in line with expectations in July. In Europe, Confidence (EC indices) disappointed in the economy in August (from 95.7 to 95.2 vs. 96 est.) and in services (from 4.1 to 3.6 vs. 3.9 est.), but not in industry (from -10.5 to -10.3 vs. -10.2 est.). In China, the Caixin manufacturing PMI rebounded in August from 49.5 to 50.5, compared with an expected 49.8.

Markets

Risk-off week on the financial markets: gold gained 1.9% and returned to its highs, the 10-year US bond rose 0.4% and the dollar 0.1%; corporate bonds were broadly flat, while equities fell, with Europe (-2%), Switzerland and emerging markets (-0.6%) underperforming the US market (-0.1%), which was buoyed by energy and financials. This week we will be monitoring: ISM manufacturing and services and the employment report (crucial for the next Fed meeting on September 17) in the United States; consumer and producer price indices and retail sales in the eurozone; and manufacturing and services PMI in China.

Planetary Boundaries

While recent climate models showed that a collapse of the AMOC (Atlantic Meridional Overturning Circulation) was unlikely by 2100, new studies conclude that if carbon emissions continue to rise, 70% of models lead to a tipping point for this major global climate system.

Swiss Market

This week, we will have the PMI index for August, the figures (OFS) for trade, accommodation and services for July, inflation and unemployment (Seco) for August and the SNB's foreign exchange reserves.

On the corporate side, Burkhalter, Dormakaba, Partners Group, Romande Energie, Safra Sarasin, Helvetia and Swiss Life, among others, will be publishing their figures.

Bonds

In the US, the 10-year yield ended the week down 3 bp, with figures generally above expectations for durable goods orders and consumer confidence, and PCE in line with expectations. In Europe, the 10-year OAT gained 9 bp amid uncertainty in France caused by the confidence vote called by François Bayrou for next Monday, which he seems destined to lose. In Germany, the 10-year Bund ended the week unchanged. This week, the market will be watching the ISM, JOLTS and NFP figures in the US.

Sentiment of traders

Stock markets

The week is expected to start quietly with a day off on Wall Street. The rest of the week will be dominated by US employment data. We will start on Wednesday with the JOLTS report, followed by the ADP survey and ending on Friday with the NFP report. As the relative weakness of US employment has triggered expectations of an interest rate cut by the Fed, we will be watching these releases closely.

Currencies

The risk of the Fed losing its independence, as well as a court ruling declaring D. Trump's tariffs illegal, are weighing on the greenback. The €/$ has finally broken through the 1.1680 resistance level and is trading at 1.1720. A test of the 1.18 resistance level is likely, but the political crisis looming in France between now and 8 September could send the €/$ back to test the 1.16 and then 1.1530 resistance levels. The CHF is strengthening at €/CHF 0.9370, resistance at 0.93, support at 0.9400 and $/CHF 0.7995, resistance at 0.7900, support at 0.8080. Gold is rising sharply on expectations of a US rate cut to $3,470/oz.

Equities

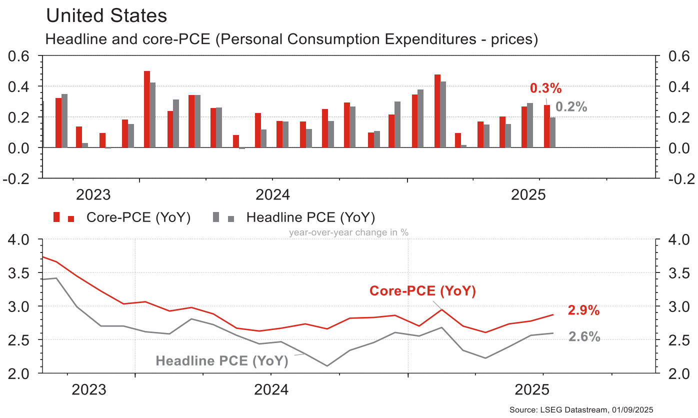
ADOBE is posting moderate growth (7-9% per year) with no visible catalyst in the short term, despite solid execution and ambitious AI initiatives. The impact of these projects remains limited in the face of a slowdown in core business and increasing competitive pressure. In the absence of sufficient momentum, we are removing the stock from our Core Holding recommendations.

ASTRAZENECA (Core Holding): Baxdrostat clinical data in uncontrolled hypertension, presented at the European Society of Cardiology (ESC) congress this weekend, are positive, showing better 24-hour blood pressure control with a superior tolerance profile. The long-term sales potential could reach $5 billion, compared with a consensus of only $1.8 billion.

VEOLIA: By triggering an unexpected vote of confidence on September 8, the French Prime Minister reignited political instability, weighing on assets exposed to France, such as Veolia. In 2025, Veolia underperformed (+8% vs +15% for utilities), trading at 12.4x its expected earnings (vs 15.4x on average, but ~10x in times of crisis). A return to these levels would imply a potential decline of 20%, or a share price of around €23. As a precaution, we are removing Veolia from our European recommendations.

VW (Satellites): registrations in Europe rose 7.4% y/y in July, including +11.6% for VW and BMW, ahead of Renault +8.8%, Mercedes +0% and Stellantis at -1.1%. The market share of pure electric vehicles was 15.6% and that of hybrids 34.7%.

Today's graph



Performances

	As at 29.08.2025	Since 22.08.2025	Since 31.12.2024
SMI	12 187.58	-0.63%	5.06%
Stoxx Europe 600	550.14	-1.99%	8.38%
MSCI USA	6 176.98	-0.06%	9.97%
MSCI Emerging	1 258.44	-0.64%	17.01%
Nikkei 225	42 718.47	0.20%	7.08%
CHF vs. USD	0.7991	0.31%	13.42%
EUR vs. USD	1.1705	-0.11%	13.04%
Gold (USD/per once)	3 441.44	1.93%	31.08%
Brent (USD/bl)	68.15	0.57%	-8.81%
		As at 22.08.2025	**As at 31.12.2024**
10-year yield CHF (level)	0.31%	0.32%	0.23%
10-year yield EUR (level)	2.68%	2.68%	2.36%
10-year yield USD (level)	4.21%	4.24%	4.57%

Source: LSEG Datastream